

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIR EVE FRANKLIN**, on February 8, 2005 at 8:04 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Eve Franklin, Chairman (D)
Sen. John Esp (R)
Rep. Bill E. Glaser (R)
Rep. Verdell Jackson (R)
Rep. Carol C. Juneau (D)

Members Excused: Sen. Don Ryan, Vice Chairman (D)
Sen. Carol Williams (D)

Members Absent: None.

Staff Present: Mark Bruno, OBPP
Alan Peura, Legislative Branch
Diana Williams, Committee Secretary
transcribed by Kim Leighton

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notations refer to the material immediately preceding.

Committee Business Summary:

Hearing & Date Posted: Montana State University
Public Service/Research Agencies:
Agriculture Experiment Station
Extension Service
Fire Services Training School
Executive Action: None

Opening Remarks by Chair:

CHAIR FRANKLIN opened the hearing with a welcome and described the procedures to the audience. She introduced the staff to those appearing for the first time.

MONTANA STATE UNIVERSITY
PUBLIC SERVICE/RESEARCH AGENCIES HEARING

Opening by President Gamble

President Gamble, Montana State University, introduced himself to the Subcommittee. He explained what they hoped to accomplish today.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 3}

PUBLIC TESTIMONY FOR EXTENSION SERVICE AGENCY
MEAGHER COUNTY EXTENSION AGENT

SEN. DAVE LEWIS, SD 42, HELENA stated that he has done some work with the County Commissioner's Office. He said last time they were able to add a county extension agent; he realized how valuable they could be in the community.

REP. HARRY KLOCK, HD 83, HARLOWTON stressed that the extension agent program in Harlowton is working well, and he would like to see the program extended to Meagher County.

REP. SCOTT MENDENHALL, HD 77, CLANCY stated that in another life, he was an extension agent. The program is a unique vehicle and can be used to meet the needs of the people. It is also a great vehicle for economic development. **REP. MENDENHALL** gave his full support.

President Gamble attested that he has a winning team behind him. They have three presentations for the Subcommittee today and stated that these agencies are integral to the MSU system. President Gamble sees erosion in the budget sector of these agencies.

{Tape: 1; Side: A; Approx. Time Counter: 3 - 10.8}

AGRICULTURE EXPERIMENT STATION (AES)
OVERVIEW

Jeff Jacobsen, Dean & Director, Agricultural Experiment Station, (AES) provided a printout of his PowerPoint presentation.

EXHIBIT(jeh31a01)

Mr. Jacobsen appeared today to talk about the \$2.6 billion research enterprise which has really helped MSU. He spoke about different research programs at MSU, how they have helped and what they entailed. He stressed their importance. Mr. Jacobson wished to focus on the discovery of new knowledge, and he mentioned the Agricultural Research Programs in Sidney and Miles City. **Mr. Jacobsen** pointed out Miles City has a budget challenge.

The first project **Mr. Jacobsen** discussed was the Montana Beef Network, a program in place since 1999. The network collects data on genetics and management plus examines the proper techniques in the administration of vaccines to animals. A majority of their research encompasses the proper care of animals. He discussed some projects and programs that are being researched in regard to animal maintenance and tracking.

Mr. Jacobsen moved on to plant agriculture and touched on trends that are occurring over time. He talked about winter wheat and its economic impact. He discussed the Cereal Quality Lab and how it is beneficial to these studies. By utilizing this lab, they can communicate with individuals interested in the products. This re-emphasizes Montana's place in the international marketplace.

{Tape: 1; Side: A; Approx. Time Counter: 10.8 - 23.2}

Mr. Jacobsen moved on to the topic of disease organisms and emphasized that they have an internationally renowned department. He discussed the term "zoonotic" which describes a process where a disease transfers from agriculture to wildlife to humans. He stated that they also look at some controversial issues. He discussed the issue of sustainability in regard to coal bed methane. With intensified management care, they have realized that they can utilize the water. He stressed that they do not shy away from things that are difficult.

Mr. Jacobsen wished to shift gears a bit and spoke about the Corvallis Agricultural Station. He also spoke about an Agricultural Research Center in Havre which covers both plant and animal research.

BUDGET REQUESTS (AES)

Mr. Jacobsen stated that they talked to Governor Schweitzer on the different positions they hold but have received no commitment from him. He briefly described the different positions the AES holds on these issues. He stated that the biennium cost would be approximately \$480,000. He also explained the topic of overhead. The approximate cost of this would be \$370,000 at a minimum. He mentioned DP 66 and explained what this would do. He talked about the formula challenge and what that entails.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 9.7}

Mr. Jacobsen then spoke about sales and revenue. He stated that the estimated cost of AES is \$600,000 for the next biennium. He added that this would include a \$1.4 million addition for science at the Miles City location.

In summation, **Mr. Jacobsen** urged the Subcommittee to consider this investment. He reiterated that it is a good investment; it sits at approximately \$2.6 billion.

EXHIBIT (jeh31a02)

PUBLIC COMMENT (AES)

Dave Kelsey, Agricultural Producer, Northern Stillwater County, stated that he has benefitted from the research done at MSU. He spoke about soft fly infestations and the impact. He provided some examples of the importance of their experiment station. He also stressed that the research done at these facilities is critical to the economic sustainability of Montana. He urged the Subcommittee to increase funding for research.

{Tape: 1; Side: B; Approx. Time Counter: 9.7 - 20.7}

Jim Larson, State Bio-Control Committee, Stillwater County, stated that they have had a lot of luck with bio-control. He talked about the problem with weeds and insects in that area and stressed the need for bio-control and integrated weed management.

Dave Broberg, Small Grain Operator, stated that the work done at the AES is the backbone of his business. A study completed in the 57th Legislative Session showed that for every \$1 spent on research, \$125 was returned to Montana. He focused the attention of the Subcommittee to the overhead charges.

Dean Peterson, Judith Gap, runs a family business of cow-calf cropping, heifer management and backgrounding. He stands in

support of the animal physiology position, which could be very beneficial to their business.

Dan Lake, Lakeseed Inc., represented a farming corporation out of Ronan. He explained the operations of this business and what it entails. Their credibility is enhanced by the access to recent information.

Kent Watson, Farmer/Rancher, attested that there is value added to Montana from these experiment stations and urged the Subcommittee to support these budget proposals. He explained what kind of fiscal benefits Montana could potentially experience. He spoke about overhead charges. He wished to stress how much the experiment stations benefit rural Montana.

Jim Freeman, Weed Coordinator, Cascade County, stood in support of the two weed positions. He stated that they need tools if they are going to fight weeds; the way to get tools was research. If they have the proper tools, they can effectively control weeds and create additional revenue for the state.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 7.9}

Kurt Kammerzell, Small Grain Grower, Chester, MT, stated that Montana has a huge revenue stream. Intel puts a lot of money back into research, and he attested that value-added products are going to be great for Montana.

Lance Judaman, Self, urged the Subcommittee to increase funding for the AES. He stated that the agricultural income of Montana will need to increase due to the educational demands. He also stated that research at MSU needs to be on top of genetically modified crops.

Dan Pickard, Farmer, stated that his family raises winter wheat, spring wheat and barley. The research station directly affects their farm, and they fully support funding for the AES.

Tony Zinne, Self, stated he is a fourth generation Montanan that harvests the natural resources and also a board member of the Natural Green Growers' Association, which definitely supports the AES.

Waine Milmine, Rancher, agreed with the other proponents of the AES. This experiment station would increase the efficiency of his operation; increasing efficiency is how they survive.

Joel Farkell, Self, said he was a recent graduate of MSU in agricultural business and is currently employed by Cennex

Harvesting States (CHS). He attested that the experiment station at MSU has made a positive influence in his life.

Terrell Balzer, Farmer, Huntley Project, discussed the history and workings of the Huntley Project. He works on farming sugar beets and explained what is involved. He also raises malt barley. He stressed the importance of the AES at MSU.

John Youngberg, Montana Farm Bureau Federation (MFBF), stated their support for the AES. He stated that knapweed causes approximately \$14 million in damages each year. He also spoke about the position dealing with animal physiology and the overhead issue. He stated that everybody has overhead. The question is how would they recuperate costs. He strongly urged the Subcommittee's support of AES.

{Tape: 2; Side: A; Approx. Time Counter: 7.9 - 27.2}

Richard Owen, Montana Green Growers Association (MGGA), stated that the previous witnesses have been very eloquent, and he agreed with them. He attested the research and extension systems are the link to the University systems.

Jerry Marks, Extension Office, Missoula, testified in support of the weed positions and provided a document about the weed management plan they have been working on in Missoula. He claimed that 91 percent of Montana is weed free, and they are working to establish partnerships. He also provided a document in regards to the life cycle of noxious weeds.

[EXHIBIT\(jeh31a03\)](#)

[EXHIBIT\(jeh31a04\)](#)

Chris Christiaens, Montana Farmers Union, stated that this should be considered an investment. It is the largest industry in Montana; \$2.6 billion a year is the approximate income.

Steve Simonson, Agricultural Producer, wished to add his comments in support of the MAES. He is a past member of Montana Agricultural Experiment Station (MAES). He also wished to voice his concern in regard to overhead costs.

Mark Peterson, Farmer/Producer, stands in support of AES.

[EXHIBIT\(jeh31a05\)](#)

Mike Bernhardt, Farmer/Feedlot Operation, attested that they are a value-added operation. He stated that they harvest grain, sugar beets and malt barley and approximately 90 percent of their decisions have been based on the research done.

QUESTION FROM SUBCOMMITTEE (AES)

REP. JUNEAU inquired about the constitution and the amendments considering noxious weeds and how it would all be affected.

Mr. Jacobsen explained the program is comprised of and how it works. It would provide a funding source for the state, as well as for education.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 9.6}

Asked by **REP. JUNEAU** whether this applies to public or State institutions, **Mr. Jacobsen** claimed that it applied to both areas and explained how it worked.

Asked by **REP. JUNEAU** about fees for work, **Mr. Jacobsen** asserted that there are no direct fees. There is a sliding scale for the grain growers which helps fund other activities.

SEN. ESP asked Nancy Peterson, Director, Department of Agriculture, about a conversation certain individuals had with the Governor.

Nancy Peterson stated she was not in that meeting.

Asked by **SEN. ESP** about what the Governor is thinking, **Ms. Peterson** claimed that she did not have an indication from the Governor's Office. The research is vital and critical to their industry.

SEN. ESP articulated that if there was more information needed, there were probably very experienced people present that could help.

Asked by **REP. JACKSON** about Canadian Thistle, **Mr. Larson** replied there is quite a bit of work being done on Canadian Thistle. He explained what kind of research has been done and discussed some advantages and disadvantages to this research.

Responding to **REP. JACKSON's** next question, **Mr. Larson** claimed there are some bio-control methods in place that are being implemented. However, they are not currently very effective.

Asked by **CHAIR FRANKLIN** about options with overhead, **President Gamble** explained the topic of overhead and what is being done to deal with these costs.

{Tape: 2; Side: B; Approx. Time Counter: 9.6 - 22.8}

EXTENSION SERVICE
OVERVIEW

Doug Steele, Montana State University Extension Service explained that he had four documents for the Subcommittee: 1) annual report, 2) Family & Consumer Sciences Programs, 3) overview of the PowerPoint presentation and 4) budget proposal.

[EXHIBIT\(jeh31a06\)](#)

[EXHIBIT\(jeh31a07\)](#)

[EXHIBIT\(jeh31a08\)](#)

[EXHIBIT\(jeh31a09\)](#)

Mr. Steele stated the mission of the extension service and discussed his travels throughout Montana and what he has experienced in the agricultural field. He provided some background information on the extension service. He spoke about a program through 4-H. He emphasized the importance of the Board of Regents, Family & Consumer Sciences, as well as community development.

Mr. Steele spoke about initiatives briefly, discussed the annual report and explained what that information adheres to. He also wanted to address the cooperative nature of the current funding. The funding is stagnant and not going anywhere. He also spoke about the partnership they have with the Montana Beef Network.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 5.9}

BUDGET REQUESTS - EXTENSION SERVICE

Mr. Steele addressed Exhibit 9, which outlines the budget requests for the extension service. He explained the different aspects of these requests and attested that their annual cost is approximately \$700,000. They also have two initiative proposals; both initiatives were supported in the Martz Budget. However, they are not supported in the Schweitzer Budget.

Mr. Steele said they are looking to have a Livestock Division placed in Miles City. They also have a unique relationship with the Research Center in Miles City; they would like to see continued funding for that. He concluded by saying that they have two areas that are not funded in the Governor's Budget and would like to see those included.

{Tape: 3; Side: A; Approx. Time Counter: 5.9 - 15}

PUBLIC COMMENT - EXTENSION SERVICE

Pat Graham, Manager, Harding Land & Cattle, supported the initiative for the Beef Specialist position. He discussed some aspects of his company and how it operates. They needed to stay current in terms of research and information. They also need to rely heavily on outside resources; his company had utilized a specialist in the past.

EXHIBIT(jeh31a10)

Jed Evjene, Cow/Calf Producer, Rancher, spoke about how the extension service had helped him and stated that they host several range experiments. He also spoke about the Montana Beef Network in regard to animal identification. He discussed several aspects of his business such as: 1) forestry; 2) managing deer; 3) drought; and 4) weed control.

SEN. KEITH BALES, SD 20, OTTER appeared today to ask the Subcommittee to put a beef specialist back in the budget.

EXHIBIT(jeh31a11)

{Tape: 3; Side: A; Approx. Time Counter: 15 - 27.2}

Kerensa Loucks, Hamilton, Montana, currently serves as the Montana Forage Council Representative. She stated that she has been in 4-H for nine years and wished to share a few things.

EXHIBIT(jeh31a12)

Dave Kelsey, Farmer/Rancher, stood in support of increased funding for the Montana Extension Service. **Mr. Kelsey** and his wife were 4-H leaders for 26 years. They operate a small grain and cow/calf operation and, a couple of years ago, they suffered an immunity problem. Through research, they found that it was the feed products making the cows sick. He also stressed the need for a crop specialist and touched on the issue of sustainability and water quality.

Kirstin Leonhardt, Montana Extension Advisory Council Representative, 4-H Ambassador Team, described several projects in which she has utilized the extension service.

EXHIBIT(jeh31a13)

Dean Peterson, Judith Gap, stood in support of the livestock position in Miles City and testified they could benefit from this funding.

Nancy Meuli, Cow/Calf Operation, claimed that there was a huge grass roots investment in this service. She added she grew up in 4-H and had learned a lot from it. She stated that agriculture

has been, and tends to remain, the moral and economic base in this state. It also adds value to the global market.

William Almy, President, Keystone Ranches Inc., emphasized the problem of drought. He also stressed the importance of the extension specialist in Miles City.

{Tape: 3; Side: B; Approx. Time Counter: 0 - 19.6}

Jamie Doggett, Commissioner, Meagher County, supported increased funding for an extension agent in Meagher County and had requests in regards to the funding.

[EXHIBIT\(jeh31a14\)](#)

B. J. Hawkins, White Sulphur Springs, discussed some members of Meagher County that she had worked with on local volunteer projects. The need for an extension agent was tremendous, and she urged their support.

{Tape: 3; Side: B; Approx. Time Counter: 19.6 - 26.9}

Amy O'Neill, Meagher County, testified having an extension agent in their county is critical. She described several youth programs that would benefit from an agent and also spoke about a program called Blue Ribbon Enrollment. She was concerned there would not be anyone in the community to take responsibility for the 4-H program. She strongly asked for the support.

James Brown, State 4-H Ambassador, Helena, stated he has reaped a lot of benefits from the extension service. He is an avid member of 4-H and a future proprietor of agriculture in Montana. The extension service has been very influential in his life.

[EXHIBIT\(jeh31a15\)](#)

Marsha Hollingsworth, Chairman, Montanans For 4-H, stated she does not think people in general realize how important agriculture is to Montana. She reiterated what the new agriculture is and spoke about environmental quality with an emphasis on 4-H.

{Tape: 4; Side: A; Approx. Time Counter: 0 - 13.6}

Keith Schott, Agriculture Producer, President, Montana Green Growers Association, stood in support of a crop specialist, an extension agent and the 4-H program.

John Youngberg, Montana Farm Bureau, urged the Subcommittee's careful consideration on this position.

Chris Christiaens, Montana Farmers Union, believes both of these positions are essential to agricultural business in Montana.

John Bloomquist, Montana Stockgrowers Association, stated that the extension beef specialist is very high priority. This position is critical, definitely advantageous to Montana.

QUESTIONS FROM SUBCOMMITTEE - EXTENSION SERVICE

Asked questions by **REP. JUNEAU** about excess food and food banks, **Mr. Steele** replied they have to be careful with food banks and the extension service would not be directly involved with that.

REP. JUNEAU claimed that it seems like it would be an appropriate activity for the extension service.

Mr. Steele replied that he would be happy to speak with a nutritional expert and get the information back to her.

CHAIR FRANKLIN mentioned that Commissioner Stearns would speak with the Subcommittee the following day.

Ms. Doggett also provided several documents from constituents of hers in support of the extension service.

[EXHIBIT\(jeh31a16\)](#)

{Tape: 4; Side: A; Approx. Time Counter: 13.6 - 20.5}

FIRE SERVICES TRAINING SCHOOL(FSTS)
OVERVIEW

Butch Weedon, Director, Fire Training School, provided a document which outlined his PowerPoint presentation. He spoke about innovations involved in the FSTS and mentioned that lives have been saved. He talked about goals and objectives of FSTS and provided some statistics on where the program stands today and its current situation.

[EXHIBIT\(jeh31a17\)](#)

[EXHIBIT\(jeh31a18\)](#)

BUDGET REQUESTS- FSTS

Mr. Weedon brought forward his budget requests for FSTS. He stated that they are requesting funds for building transfers, additional positions and resources.

[EXHIBIT\(jeh31a19\)](#)

{Tape: 4; Side: B; Approx. Time Counter: 0 - 1}

PUBLIC COMMENT - FSTS

Jim Whitaker, Self, spoke about a personal story in regard to the fire station and urged the Subcommittee's support for a great program.

Mike McCloskey, FSTS, stated that the programs he participates in rely heavily on FSTS. He reiterated that the incident command training is probably the most important. He asked that the Subcommittee grant them the fifth and sixth positions, so they can continue to be true to their plan.

[EXHIBIT\(jeh31a20\)](#)

Mark Peterson, Former First Responder Instructor, went to New York for training and found that the firefighters in Montana are better trained. He and his community have benefitted from the training in Montana, and he stands in support of the fire station.

[EXHIBIT\(jeh31a21\)](#)

Darin Arganbright, Chief, Carter Fire Department, asserted that their fire station has undergone a complete metamorphosis due to this training. He claimed that FSTS has been a great source of support for equipment needs and training. They are now able to provide assistance to their community. The morale of the crew has also increased due to this training and funding.

Rick Abraham, Fire Chief, Montana City Fire Department, stated that they use the fire station in every aspect of their training. They assisted with hazardous training, and there were no injuries.

Dave Mason, President, Lewis and Clark Rural Fire Department, urged full support of FSTS and said he does not know what they would do without it.

Ken Mergenthaler, Fire Chief, Eastgate Volunteer Fire Department, stated they are strong users of FSTS, and they probably could not provide this service without FSTS.

Brad McBratney, Augusta Volunteer Fire Department, claimed they have approximately 20 volunteer fire fighters. He attested that the private-public partnership is a valuable resource; thus, they greatly benefit from FSTS.

[EXHIBIT\(jeh31a22\)](#)

Tom Kuntz, Fire Chief, Red Lodge, Montana, stated that as firefighters, they do the best they can do with the resources

they are given. This program will help the firefighters do a better job and provide a better service to the community.

Pat Clinch, Montana State Council of Professional Firefighters, has been in the business for 29 years. He approached the Subcommittee to ask them for increased funding for training.

{Tape: 4; Side: B; Approx. Time Counter: 1 - 19}

Kirstin Leonhardt, Self, stated the training of rural firefighters is absolutely beneficial to the community.

QUESTIONS FROM SUBCOMMITTEE - FSTS

None

Closing Remarks:

President Gamble provided a brief summation of what these agencies are asking. He asked the Subcommittee to please consider these budget proposals.

OTHER SUBCOMMITTEE ACTIONS

CHAIR FRANKLIN closed the meeting with general announcements.

The following exhibits were given to the secretary after the hearing.

[EXHIBIT\(jeh31a23\)](#)

[EXHIBIT\(jeh31a24\)](#)

ADJOURNMENT

Adjournment: 12:08 P.M.

REP. EVE FRANKLIN, Chairman

DIANA WILLIAMS, Secretary

EF/dw

Additional Exhibits:

EXHIBIT ([jeh31aad0.PDF](#))